Communications Workers of America AFL-CIO, CLC

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June 15, 2012

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Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, DC 20554

Re: Applications of Cellco Partnership d/b/a/ Verizon Wireless, SpectrumCo, LLC, and Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses WT Docket No. 12-4

Dear Ms. Dortch:

On June 18, Larry Cohen, President of the Communications Workers of America ("CWA") and Debbie Goldman, Telecommunications Policy Director, CWA, met with Commissioner Jessica Rosenworcel and her acting legal advisors, Paul Murray and Holly Saurer.

Mr. Cohen discussed the critical importance of Commission policies that spur job-creating investment in robust wired as well as wireless broadband networks. Even as consumer demand for wireless communications grows, wireless will never substitute for robust wired infrastructure in terms of capacity and reliability; in addition, given the inherent physical limits of wireless spectrum, wired networks play a critical role in alleviating the looming spectrum crunch. Mr. Cohen noted that the U.S. continues to lag behind other advanced nations in the capacity of our last-mile broadband connections. Finally, Mr. Cohen pointed out that over-the-top video plays a crucial role in stimulating investment in broadband networks, spurring consumer demand for higher-capacity networks and generating revenues to finance that expansion.

In this context, Mr. Cohen raised concerns about the commercial agreements that are a critical component of the proposed Verizon Wireless/SpectrumCo/Cox transaction. Mr. Cohen noted that those agreements, as currently structured, pose considerable consumer harm and do not serve the public interest. Those agreements would reduce consumer choice, network investment, jobs and lead to higher prices and lower quality service.

Mr. Cohen noted that the joint marketing agreements would allow Verizon Wireless to sell cable's broadband, video, and voice telephony services in direct competition to Verizon's own FiOS service. By turning former competitors into partners, the joint marketing agreements will eliminate the incentive for Verizon Communications, the majority owner of Verizon Wireless, to continue aggressive marketing and build-out of its FiOS network. This would leave many communities in the Verizon footprint, including Boston, Baltimore, Buffalo, Albany, Syracuse and others, on the wrong side of the digital divide. And because

Verizon has stopped selling stand-alone DSL, it will leave many consumers in the Verizon footprint with only one choice – the cable company – for broadband connection.

Reduced investment in FiOS will also mean fewer jobs.

In addition, Mr. Cohen noted that the commercial agreements, including the formation of a joint technology venture, are likely designed to harm the development of overthe-top video as an alternative to the cable industry's walled garden business model, instead serving to expand that model to the wireless environment. By devaluing over-the-top video, the transaction's commercial agreements will seriously undermine over-the-top video as a competitive alternative with the ability to constrain prices and drive innovation, and by devaluing the broadband pipe, reduce broadband revenue and investment.

Reduced investment in high-capacity broadband means fewer jobs.

Mr. Cohen emphasized that the negative impact of the commercial agreements can be mitigated by three conditions:

- 1. Prohibit Verizon Wireless and the cable companies from cross-marketing their service within the Verizon footprint.
- 2. Require Verizon to continue to offer FiOS broadband Internet access service and video service, expand in-region deployment to cover at least 95 percent of residential living units and households within the Verizon in-region territory, and require that a certain percentage of incremental deployment be to rural areas and low-income living units, with timetables, data reporting, and penalties for non-compliance.
- 3. Require Verizon Wireless and the Cable Companies to make the services each of them provides each other and the intellectual property developed under the agreements to be available on a nonexclusive basis, and to make such services and intellectual property available to all requesting telecommunications carriers, cable service providers, and broadband Internet service providers on the same terms and conditions.<sup>1</sup>

Sincerely,

Debbie Goldman Communications Workers of America

cc: Commissioner Jessica Rosenworcel Paul Murray Holly Saurer

<sup>&</sup>lt;sup>1</sup> See Communications Workers of America/International Brotherhood of Electrical Workers Reply Comments, In the Matter of Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent to Assign Licenses, Application of Cellco Partnership d/b/a Verizon Wireless and Cox TMI Wireless, LLC For Consent to Assign Licenses, WT Docket No. 12-4, March 26, 2012 ("CWA/IBEW Reply Comments").